

Number: UD-125-2025
Zagreb, March 24, 2025

Pursuant to the provisions of Article 21 of the Statute of PODRAVKA Inc. and Article 3 of the Rules of Procedure of the Management Board of PODRAVKA Inc., the Management Board of PODRAVKA Inc. at its 180th meeting held on March 24, 2025, adopted the

CODE OF ETHICS IN BUSINESS OPERATIONS OF THE PODRAVKA GROUP consolidated text

I. INTRODUCTORY PROVISIONS

The Code of Ethics in Business Operations of the Podravka Group (hereinafter: the Code) is adopted with the aim of achieving the vision, mission, and strategic goals, ethical principles, and preventing conflicts of interest that the Podravka Group considers essential in everyday business behavior and interactions with others.

The Code defines the principles of professional ethics in business to ensure that they become a standard of behavior for the members of the Management Board, senior executives, and all employees of the Podravka Group, in line with ethical and professional norms, as well as generally accepted civilizational values and principles of modern corporate governance.

In its operations, the Podravka Group - consisting of PODRAVKA Inc., all its subsidiaries and affiliated companies (hereinafter: the Podravka Group), and all its employees - is required to comply with the relevant laws, regulations, and standards of the countries in which it operates, as well as the ethical principles and guidelines for ethical behavior defined in this Code.

The Code is based on fundamental postulates: respect for fundamental human rights, equality, integrity, mutual respect, humanity, tolerance, and responsibility.

1. Basic Guidelines

The Code establishes the standard of behavior and rules that all employees of the Podravka Group, including members of the Management Board and senior executives, must adhere to. The standards of behavior and rules are in line with the corporate culture of the Podravka Group, which is based on key values: innovation, sincerity, heritage, sustainability, quality, and care. Social responsibility and the promotion of sustainability principles are an important part of the corporate culture of the Podravka Group.

In this way, it contributes to the creation and maintenance of a recognizable identity for the Podravka Group, building trust with business partners, suppliers, customers, and the general public, and preventing conflicts of interest.

Members of the Management Board, senior executives, and all employees of the Podravka Group who are bound by the Code are expected to act in accordance with these fundamental ethical values and principles even outside the business environment and to avoid any form of unacceptable behavior that is contrary to the Code. They must also be aware of their obligations and the consequences of violating the Code.

Failure to comply with the Code and/or any other act of the Podravka Group, legal regulations, and standards may result in disciplinary measures, including dismissal.

In special situations, which are assessed individually, deviations from the provisions of the Code must be previously approved in writing by the Management Board of PODRAVKA Inc. or the Ethics Committee.

The Code also establishes the principles, rules, and procedures for preventing, recognizing, and resolving conflicts of interest.

2. Ethical Principles of the Podravka Group

- **Legality and Expertise** – All employees are required to consistently adhere to laws, regulations, and internal rules and procedures, with the highest professional standards and rules of the profession.
- **Prevention of Conflicts of Interest** – In performing their duties, no employee may place their private interests above the interests of the Podravka Group. Senior executives make business decisions solely based on professional criteria and facts, without personal interests, and in the best interest of the Podravka Group.
- **Zero Tolerance for Corruption** – The Podravka Group promotes and applies a zero-tolerance approach to corruption in its operations as the most severe form of conflict of interest. The goal of this approach is the prevention, suppression, exposure, and sanctioning of all forms of corrupt behavior as one of the most harmful social phenomena, which, in addition to undermining fundamental social values, seriously damages the values and principles on which the Podravka Group bases its operations. All employees of the Podravka Group must avoid relationships or involvement in activities that pose a risk of corruption.
- **Socially Responsible Business and Sustainable Development** – The Podravka Group takes care of and invests continuous efforts into environmental protection and health care, and every employee must carry out their business activities in accordance with the applicable occupational health and safety regulations.

The Management Board of the Company has adopted the Corporate Social Responsibility Policy, and it is the obligation of all employees to carry out their activities in accordance with the adopted Policy.

The Podravka Group supports the work and development of humanitarian associations, scientific institutions, sports clubs, and other organizations.

- **Human Rights** – The Podravka Group supports and actively promotes human rights, with special emphasis on vulnerable groups (children, persons with disabilities, and national minorities), thereby making a positive contribution to society.

Child labor, forced, or inhuman labor is unacceptable for the Podravka Group, which is why the Podravka Group does not cooperate with companies in the supply chain that violate such principles.

The Podravka Group provides equal opportunities for employment, education, advancement, and reward for all its employees.

Employees of the Podravka Group are equal, and any form of discrimination based on race, ethnicity, skin color, gender, language, religion, political or other beliefs, national or social origin, financial status, trade union membership, education, social status, marital or family status, age, health condition, disability, genetic inheritance, gender identity, expression, or sexual orientation is prohibited.

Employees should treat each other with dignity, respect, and professionalism.

- **Relations with the Public and Protection of Privacy** – Employees must not harm the reputation of the Podravka Group in any way through their behavior in internal and external contacts, particularly by disclosing inaccurate or incomplete and/or confidential information.

II. MANAGING CONFLICTS OF INTEREST

Conflict of Interest arises when a senior executive makes decisions or takes actions that favor individuals close to them, causing personal interests (family, financial, or otherwise) to conflict with the interests of the Podravka Group. This can affect objectivity and impartiality, as well as violate ethical principles.

Personal or private interest includes personal gain, as well as the benefit to family members or relatives, which may influence decision-making or job performance.

Senior executives should avoid situations that could lead to conflicts of interest, and if such situations or relationships already exist, they must report them to prevent violations of ethical principles.

Senior executives must not use their position to favor family members or relatives, for example, in employment, promotions, salary determination, or other benefits.

Internal audit will establish the Podravka Group's Related Persons Database within 3 months of the adoption of the Code, which will allow for the transparent identification of relationships and the prevention of conflicts of interest. The collected data will be treated as strict business confidentiality and will be available only to the Ethics Committee and Internal Audit.

Senior executives who have family or kinship relations with employees within the Podravka Group must report such relationships to Internal Audit, which maintains the Related Persons Database, as well as relationships with business partners, suppliers, and customers.

In this context, family members include: spouses or life partners, children, parents, siblings and their spouses, stepchildren and adopted children, stepparents, adoptive parents, stepchildren, and individuals who are financially supported by the employee or with whom they live in a common-law relationship.

Relatives by marriage include family relationships with the spouse or common-law partner's family, such as father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, and sister-in-law.

III. PRINCIPLES OF PREVENTING CONFLICTS OF INTEREST

The provisions of the Code apply to all members of the Management Board, senior executives, and employees, particularly those in procurement and sales, where the likelihood of conflicts of interest is higher due to business relationships with business partners, suppliers, and customers.

If circumstances arise that may lead to a conflict of interest, the senior executive is required to report and resolve them in a way that protects the interests of the Podravka Group and must:

- Exclude themselves from decisions regarding salaries, promotions, and benefits for family members or relatives. Promotions and rewards should be based solely on criteria of expertise, quality, and work results.
- Involve a neutral person in decision-making related to family members or relatives. The senior executive cannot be the final approver of the final decision in such a situation.
- Exclude themselves from negotiating or concluding contracts with customers or suppliers where a family member or relative holds an employment or senior position.

The senior executive must not use privileged information or their position to favor family members or relatives and must not seek or accept benefits for favoring family members or relatives.

Members of the Management Board and senior executives should avoid conflicts of interest, and if they cannot be avoided, they must report them to the Ethics Committee or Internal Audit.

Every situation that could lead to a conflict of interest must be immediately reported to the Ethics Committee, along with a request for their opinion or guidance on how to resolve it.

Business Gifts, Representation

The Podravka Group fosters cooperation with customers, suppliers, and business partners by treating everyone equally, fairly, and with respect. The company operates on the market in accordance with good business practices and fair competition, without using illegal or unethical practices to gain an advantage over competitors.

Business gifts or forms of representation for business partners, customers, and suppliers should support the legitimate interests of the Podravka Group and be appropriate to the circumstances, as well as of reasonable value or form.

Money should never be given as a gift or provided in any form.

The Podravka Group respects global laws on market competition and conducts training on preventing corruption at all levels of its operations.

The Podravka Group does not donate to political parties.

IV. VIOLATIONS OF THE CODE, PROCEDURE UPON NOTIFICATION, AND DECISION MAKING

1. Ethics Committee

For the purpose of monitoring the application of the principles of the Code and conducting the procedure upon employee notifications, the Code Implementation Committee (hereinafter referred to as the Ethics Committee) is established.

The Committee consists of five (5) members, one of whom may be an independent member from outside the Podravka Group, appointed by the Management of PODRAVKA Inc. for a period of two (2) years.

The Committee is independent in decision-making.

2. Action of the Ethics Committee and Decision Making

Each employee of the Podravka Group has the right to notify the Ethics Committee in writing about violations of the Code, non-compliance with rules, or conflicts of interest via email at: eticko.povjerenstvo@podravka.hr or by mail at the following address: Podravka Ethics Committee; Ante Starčevića 32, 48000 Koprivnica, Croatia.

Upon receiving the notification, the Ethics Committee analyzes it and makes a decision within 15 days.

The decision on resolving the conflict of interest must be clearly explained and based on an analysis of the circumstances surrounding the conflict of interest. Possible measures for conflicts of interest include:

- If the conflict of interest involves a family member or relative, the Ethics Committee can only monitor the situation if there is no significant impact on work, with periodic checks and supervision during relevant activities.
- Protective measures include involving a neutral person in decision-making or overseeing the business processes of the executive.
- If an employee has a family connection with a customer, supplier, or business partner, they must be excluded from that business relationship or from access to key information.
- In the process of resolving a specific case, the Ethics Committee may request the Human Resources Management to relocate the employee to another position if the conflict of interest cannot be resolved otherwise within the time frame set by the Ethics Committee.
- If bias cannot be resolved, decisions regarding the rights of the employee will be made by Human Resources Management with the approval of the relevant member of the Management Board or the CEO.

If a violation of the Code is proven, the Ethics Committee may propose measures such as advice, a warning, correction of the error, a monetary fine, modification of the employment contract, reduction of bonuses, or dismissal. If the measures include a monetary fine, dismissal with an offer of a modified contract, or termination of the employment contract, the procedure will continue according to the Regulations on the Responsibility for Violating Employment Obligations and applicable laws.

The Ethics Committee will inform Internal Audit of every case of Code violation. Such notice must be fully documented, along with details of the actions taken.

If the Ethics Committee determines that the worker's report is justified, the worker who submitted it will not be penalized or discriminated against.

Unfounded reports that are knowingly false will be considered a serious violation of work obligations and may lead to termination of the employment contract.

All data from employee reports to the Ethics Committee will be treated as confidential and used solely for resolving Code violation cases. These data will only be shared with the involved persons or according to legal requirements.

Podravka reserves the right to seek compensation for damages in civil proceedings or with the relevant authorities.

V. RAISING AWARENESS OF THE CODE AND PREVENTING CONFLICTS OF INTEREST

To prevent violations of the Code and the emergence of conflicts of interest, Podravka will continuously implement the following:

- **Employee education** – Educating managerial staff, employees, especially newly hired workers, about the Code, their obligations, ethical standards, conflict of interest rules, and safeguarding business secrets.
- **Promoting transparency** – Encouraging a culture in which employees feel free to report violations of the Code, irregularities, and conflicts of interest.
- **Additional oversight** – Introducing neutral control when it is not possible to avoid hierarchical connections between family members or relatives.
- **Obligation to disclose external relationships** – Requiring the disclosure of any business relationships with family members, relatives, or connected individuals.
- **Documentation** – Internal audit maintains a record of reported conflicts of interest and the steps taken to resolve them.
- **Reporting to Management** – Informing the management at least once a year or upon request about reported violations, breaches of the Code, and the measures taken.

VI. TRANSITIONAL AND FINAL PROVISIONS

The provisions of the Code apply to the entire Podravka Group, and the Code shall enter into force on the date of its adoption. It must be made available to all employees, service users, suppliers, business partners, and the public. Therefore, it will be published on Podravka Inc.'s Intranet page and the Company's public websites, as well as on the notice boards of subsidiaries.

As of the effective date of this Code, the Code of Ethics in Business Operations of the Podravka Group – UD–279-2024, dated July 15, 2024, shall be entirely repealed.

President of the Management Board:

Martina Dalić, Ph.D.